

Egypt, Taiwan, South American countries, have been giving campaign contributions to the Democrat National Committee and the President's reelection committee, and we have gotten absolutely no cooperation from the Justice Department.

In fact, if Members look at the administration and the Justice Department, we will find they have, in effect, erected a stone wall between what happened and the American people. How do we break through that stone wall? What mechanism do we use to bring people to justice who broke the law, who may have even endangered America's national security?

The only way we can do that is to have somebody outside the system investigate and prosecute those people who have broken the law. Unfortunately, now that we no longer have an Independent Counsel statute, we have no mechanism with which to do that.

Maybe the Independent Counsel statute was flawed, maybe there were some problems with it, but it should have been perfected, in my opinion, so there was a mechanism to investigate people in an administration that might be corrupt without going through the person that they appoint to be the Attorney General who might be blocking for them, as I believe has been the case with this Attorney General and this Justice Department.

So tonight I am one of those voices, I am sure, that is crying in the wilderness, because I believe we need something like an Independent Counsel statute to ensure that justice will be done in this country.

Right now, now that the Independent Counsel statute has expired, if we have a president now or in the future who breaks the law or if we have people in his administration who break the law, and the President has appointed an Attorney General who is willing to block for him and keep the facts from coming out where there might have been corruption, then there is nothing that can be done for the American people to count on to bring these people to justice.

So I would just like to say that although the Independent Counsel statute may have had some flaws, we should not have junked the whole thing, we should have found an alternative. I am sorry that we did not.

#### POLITICAL PARTICIPATION IN AMERICA, AND INEQUITIES IN THE NATION'S MONETARY POLICY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Vermont (Mr. SANDERS) is recognized for 60 minutes.

Mr. SANDERS. This evening I hope to touch on some issues that are not often discussed here on the floor of the

House, and along with me I am happy to welcome the gentleman from Oregon (Mr. DEFAZIO).

I want to begin by touching on an issue that I believe is perhaps the most important issue facing this country. It is not talked about enough, but it is something that all of us should be deeply concerned about. That is, Mr. Speaker, in the last election, 36 percent of the American people voted. That means almost two-thirds of the American people did not believe it was important enough for their future to come out and vote.

What is even more alarming is that among people 24 years of age or younger, we had, if Members can believe it, 18 percent of those people voting. Eighty-two percent said they were not interested in voting. That is frightening unto itself, but it bodes very poorly for the future because there is very good evidence that if young people do not vote, it is much less likely that they will vote in the future.

So what happened in recent elections is that fewer and fewer people are participating. The vast majority of low-income people do not vote. Most working people do not vote. But then, on the other hand, we have upper income people who do vote, and upper income people who contribute heavily to both political parties and into the political process. So the voices of working people and low-income people are virtually not heard in this institution. Their needs are not taken account of as legislation is dealt with.

But for those folks who have the money, the wealthiest one-quarter of 1 percent who make 80 percent of the campaign contributions, Congress continuously does their bidding, pays attention to their needs. I think we have a vicious circle, that as Congress pays more and more attention to the needs of the wealthy and not to working people, not to the middle class, then the vast majority of the people turn off even further from the political process and say, hey, this Congress does not represent me. Why should I vote?

Tonight I want to touch on a number of issues. But before we get going, I yield to the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Speaker, following on that point, the question really is, for whose benefit is the country run and the economy run?

If we ask, and I have asked, groups of students in my district, now, who do you think has the most impact on the economy in the United States in government, most people would guess the President. Some talk about the Secretary of the Treasury. A few guessed the Congress, the House and Senate. But virtually none say, well, Congressman. I know who it is, it is the Federal Reserve. It is that appointed, unelected, group of extraordinarily wealthy individuals, for the most part, who meet in secret.

Today they met in secret downtown in Washington, D.C., in their marble palace, sitting at their exotic long boardroom table, marble, with nice exotic hardwoods, and they made a decision that I suppose does not sound that important to most people, but the impact will be tremendous.

Again, it goes essentially to who really runs this country. They decided to raise interest rates by one-quarter of 1 percent. That does not sound like a lot, except there are tens of millions of Americans who tomorrow will wake up to find that their mortgage rate went up, their credit card rate went up, their adjustable car loan went up.

In fact, it is computed that that one-quarter of 1 percent increase will cost a family money. Here is a family that has a \$100,000 mortgage, a \$15,000 4-year car loan, and \$2,000 on a credit card. It sounds pretty middle class to me. It will cost them \$6,913 for the mortgage, \$84 on the car loan, and \$16 on the credit card; \$7,013, that one-quarter of 1 percent rate.

I suppose that would be justified if there was a reason to do it. What is the reason? Are we worried about inflation, which is at or near historic lows? I do not think so. It might be that the Fed is worried about higher wages. The gentleman and I have talked about that previously. Sometimes the Federal Reserve gets worried when the unemployment rate drops below 5 or 6 percent.

They had a rule for years saying it should not go below 6 percent. Then they said maybe 5 percent. They get worried, because what happens if unemployment drops?

Mr. SANDERS. What will happen is then, horror of all horror, wages may go up. Let me just touch on that very important point.

We hear every day on the television, we hear it on the radio, we read it in the newspapers, that we are living in the midst of one of the great economic booms in our history. Maybe that fear that with low unemployment wages might go up has in fact prompted the Federal Reserve to do what it did today.

But I want to, for the RECORD, Mr. Speaker, give a chart which very clearly belies this nonsense that there is an economic boom for the middle class or for working people.

According to information assembled by the Economic Policy Institute, and I do not think there is a lot of debate about this, in 1973 the weekly earnings, the real average weekly earnings of workers in the United States, was \$502, okay? In 1973, the weekly earnings, average earnings, were \$502.

In 1998, in the midst of a great economic boom, the weekly earnings were \$442, a 12 percent reduction in real wages. The reality is that in order to compensate for the lowering of real wages, the average American today is

working significantly more hours. People are working two jobs, people are working three jobs.

So if the Fed thinks that they have got to once again increase unemployment to dampen wage increases, I would have very strong disagreement, because in reality today the average person in the middle class is struggling. The gentleman and I have discussed it before. It is true in Oregon, it is true in Vermont.

How many people that we know are working two jobs, three jobs, 50, 60, 70 hours a week to pay the bills? The idea that anybody in a public position of trust would take action which would result in lowering wages, forcing people to work even longer hours, is to my mind an outrage.

Mr. DEFAZIO. If the gentleman will continue to yield, let us think about this again. If this unelected group, the Federal Reserve Board who meets in secret, some of whom work for banks and in fact can individually profit their employer without any conflict of interest rules, if they raise interest rates, and they did not raise them because wages are running away and people are seeing big increases in their wages, they must have had another reason.

The pundits tell me that perhaps that other reason is that they are worried about the bubble in the stock market. I have a little problem about that. The question is, if you whack the people on Main Street by raising again, as these statistics show, their payment for their \$100,000 mortgage, \$15,000 car loan, and \$2,000 credit card, and a lot of folks have more than that on their credit card, if they are going to pay \$7,000 more for those loans because of this one-quarter of 1 percent increase, how is that going to somehow translate to a message to the people on Wall Street, the speculators, who are driving up, what did Greenspan call it, irrational exuberance on Wall Street?

If he is worried about this irrational exuberance on Wall Street, why did he not do something about Wall Street? They have the tools. Right now on Wall Street with just a \$1,000 investment, you can on margin go out and buy a whole bunch more stock. They could control that. There are steps they could take to directly control that.

But no, they are going to whack the people on Main Street and say, see, we are going to cause some of you to lose your jobs, drive up unemployment, maybe we will drive down wages. We are going to cause this disruption in the economy, and we are hoping that will percolate up to Wall Street. This is kind of a bizarre way to run an economy, but I think it has something to do with who they work for, the major banks, and what lack of control the Congress has.

No one knows what the Federal Reserve does or why they do it. It is all secret.

□ 1800

Congress has ceded all authority to them in the making of money and controlling interest rates and basically managing the economy. They are managing it for their banker friends who are deathly afraid of inflation or deathly afraid of higher wages for the corporate CEOs, but not for average folks.

I think that is an extraordinary turn of events. I think it brings us back again to who makes the contributions, who basically runs this organization when it comes to election time, and to whom are many of our colleagues beholden. It, unfortunately, is not the average people on Main Street, but it is those people on Wall Street. It is those people in the banking industry, the pharmaceutical industry, the insurance industry, and others.

In fact, I noted today in the paper that, in this presidential race, George W. may not even take public matching funds because he has raised so much money and intends to raise so much money, obscene amounts of money is flowing in so fast, they cannot count it, that he just does not think he will need those public matching funds and those constraints on spending.

Now, one has got to wonder who those people are contributing all that money and what they expect to get in return.

Mr. SANDERS. Mr. Speaker, let me interrupt the gentleman from Oregon, if I might, by giving some facts and figures. Mr. Speaker, I will also include for the RECORD, information about campaign contributions and lobbying expenses.

Last week, and I hope to get into this a little bit, the gentleman from Oregon (Mr. DEFAZIO) and I talked about the issue of pharmaceutical drugs, about the crisis that exists all over the United States where we have elderly people and people with chronic illnesses who cannot afford the high cost of prescription drugs.

We talked about the fact that the same exact drug manufactured in the United States of America is sold for significantly lower prices in Canada, in Mexico, and in Europe, and that the American consumer is being ripped off.

We talked about the huge profits of the pharmaceutical industry and the fact that the United States is perhaps the only major Nation on earth that does not regulate the price that pharmaceutical companies can sell their product. Lo and behold, apropos of what the gentleman from Oregon was talking about, now let us just see how money works and the relationship to the very high cost of prescription drugs in this country and to lobbying expenses and campaign contributions.

It turns out that, for the first 18 months of the last election cycle, the pharmaceutical industry had lobbying expenses of over \$74 million and made more than \$7 million in campaign con-

tributions, which put them at the very top of any industry in America.

So if consumers want to know why we are paying so much more for the exact same prescription drug in this country as the Canadians and the Mexicans and the Europeans do, then they might well look to the reality that the pharmaceutical industry is pouring huge sums of money, not only into Congress, but into State legislatures throughout this country.

They are number one. They are at the very top of the list of people who spend money on lobbying expenditures or campaign contributions, followed, I might add, not very far behind, by the insurance industry, which might help us explain why we are the only Nation in the entire industrialized world that does not have a national health insurance system.

So whether the issue is banking, whether the issue is interest rates, whether the issue is the high cost of pharmaceutical drugs or all of the other absurd priorities that exist in this Congress, I think one of the important factors to examine is who makes the campaign distributions, who puts money into lobbying; and that tells us a whole lot about the end results which we see.

Mr. DEFAZIO. Mr. Speaker, since the gentleman from Vermont raised the insurance industry, some of our colleagues spoke at an earlier hour about the need for a Patients' Bill of Rights. As the gentleman pointed out, the insurance industry is the second greatest funder of congressional campaigns and has been particularly generous to the majority party.

We found in the last Congress that we were able to get a very truncated Patients' Bill of Rights through the House, and the Senate did not act at all because of the fear on the part of the insurance companies that it might impinge upon their profits.

Let us just talk for a minute about what that means. I have talked to some folks from the Heart Association who are very concerned. They spent years educating Americans to, when they have got that pain, they should go to the emergency room. Well, guess what, now with an HMO, one does not go to the emergency room, one is supposed to call the insurance company first in some plans and talk to a clerk somewhere who one may have awakened from their late evening nap, and ask them for permission to go to the emergency room. Sometimes it is denied. Take an aspirin and call the doctor in the morning.

The Heart Association is very worried about the message we are sending here. So part of the Patients' Bill of Rights is called a prudent person rule. If one has got an extreme pain in one's chest and one thinks one is having a heart attack, one does not have to call a clerk who works for the insurance

company to get permission to go to the emergency room.

Of course, they say they do not deny permission, they just will not pay for it if one goes. Now, how many Americans can afford a \$500 or \$1,000 visit to the emergency room? Not very many. So this is extraordinary. So that is one thing in the Patients' Bill of Rights.

There is another case in Virginia, a young woman who fell off a cliff, broke her back. They medivac'd her by helicopter. When she got to the hospital, they worked on her right away. She was in serious condition. Her insurance company later refused to pay because she lacked prior authorization.

I asked, when was she supposed to make the call? On her cell phone as she fell through the air? Or perhaps she should have asked to use the radio in the helicopter while she was being medivac'd.

No, these are absurd things. These are no brainers for the American people. We should have the right, we pay our insurance premiums, to have that kind of fair treatment. But guess what, the insurance industry does not think so, and a majority of my colleagues here in Congress do not think so, because they are much more attentive to the insurance industry than they are to the needs of their constituents. That is an outrage, and that should change.

I am one of many who have signed a petition here in the House to force a Patients' Bill of Rights to the floor of the House because the Republican leadership refuses to let the bill be heard.

We have over 180 people on that bill, and I tell my colleagues we will not be denied; and if the American people would begin to speak up to their representatives, they would not. But again, we are back in this circular situation where the people who fund the campaigns have more at risk and are more likely to be heard than the people who are being denied the care in their insurance plan.

Mr. SANDERS. Mr. Speaker, the gentleman from Oregon touches on perhaps the most fundamental issue that we can discuss; and that is, in the midst of all of the media hoopla about how great the economy is doing, the reality is that there are tens and tens of millions of people who are hurting very badly and, in many ways, are in worse shape today than they were 20 or 25 years ago. The gentleman is touching on one area, and that is the area of health care.

Now, I want to know one simple thing. It would seem to me that, if the economy is booming, what that would translate to, among other things, is an improved health care system for all of the people. It makes sense to me. The economy is booming. That means that more and more people have health insurance, better quality of health care, better able to go to the physician of their choice, the specialist of their

choice, more access to prescription drugs. That is what a booming economy would seem to me.

But the reality, as the gentleman has just indicated, is very much not that. The reality is that we have some 43 million Americans who have zero health insurance. The reality is that we have tens of millions of Americans who have very large deductibles and co-payments. That means that, if they get sick, they hesitate to go to the doctor, because they do not have the cash to pay for the visit.

The end result of that is that doctors now tell us that the patients that they are seeing are far sicker than the patients that they used to seeing because people do not have the money to pay because they have high deductibles.

In terms of prescription drugs once again, at a time when the average profits in 1998 for the 10 largest pharmaceutical companies in this country were \$2.5 billion, that was the average profits for the 10 largest pharmaceutical companies, we have people in the State of Vermont, people all over this country, elderly folks, sick people who literally have got to make the choice as to whether they purchase the prescription drugs they need to keep them alive to ease their pain or whether they heat their homes in the winter, whether they buy the food that they need.

Ah, but the pharmaceutical industry, enjoying huge profits has all kinds of money available for campaign contributions to maintain the status quo.

I will submit for the RECORD, Mr. Speaker, a chart which I think the American people would be interested in hearing about which talks about how much more senior citizens in the United States pay for prescription drugs than do seniors in other Nations.

If a product used, one of the more commonly used prescription drugs in this country used by seniors, cost \$1, in Germany that product costs 71 cents; in Sweden, 68 cents; in the United Kingdom, 65 cents; Canada, 64 cents; France, 57 cents; and Italy, 51 cents.

But once again, getting back to the gentleman's point, if we are talking about a so-called booming economy, I would think that what the health care system would be doing is making it easier for people to get in, making it easier for people to get the quality care. As we both know, as a result of the growth of managed care and HMOs, that is very often exactly the opposite of what is happening.

Mr. Speaker, I yield to the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Speaker, part of the problem there, I want to go back to the point about seniors and the cost of drugs. But just on the issue of access to health care and the fact that so many people have been deprived to access to health care, part of the problem is the fact that more and more Americans are working in temporary jobs.

In fact, the number of Americans in the last 25 years holding temporary jobs without benefits instead of full-time jobs with benefits has gone up by a factor of eight, eight times as many people. The largest employer in America now is not General Motors. It is not Microsoft, it is a Manpower, Inc., a temporary employing employer.

Now, those people are forced to take jobs, generally at wages lower than what they earned in their last full-time job, with no benefits, including no insurance benefit. Now, that is a crisis for many families in this country, and that is something that needs to be dealt with.

They say, well, if they had insurance at their last job, they can purchase it under COBRA. That is right. We did provide relief for a few people with the Federal law that says they can purchase the same health care they had. But guess what? When people lose their jobs, most people cannot afford \$350 a month premiums to come out of their unemployment insurance and still put food on the table, pay the rent, and pay the light bill. They cannot afford that.

But talking about that, I have done recently, with the help of the gentleman from California (Mr. WAXMAN), a survey of seniors in my district in terms of the prices they are paying for commonly prescribed drugs for seniors. The results are absolutely extraordinary. I will be releasing the survey next week. But it turns out that many seniors are paying 4 to 7 times as much as people who have health insurance, full health insurance for exactly the same drugs over the counter.

Now, there is something wrong with that. The insurance companies have gone to the pharmaceutical industry and bargained a good price. They are getting a great price. A senior walks in and buys the same prescription over the counter, sometimes they need essentially a life-saving prescription, and they pay 4 to 7 times more. They cannot afford it.

The President is trying to deal with that in his proposal with a minimal beginning of prescription drug coverage. That would be an improvement over the current system. But much more can and should be done dealing with the prices these insurance companies charge.

The gentleman from Vermont has tried for a number of years to make a very simple point, a lot of drugs are developed after the public has spent a lot of money developing the research for particular drugs. In fact, one drug that is very effective for uterine cancer was developed by the National Institutes of Health. All the research was done, all the processes on how to make it. The bark out of which the first drugs were made before they developed an artificial process came off of Federal land.

So we have taxpayers pay to discover and develop the process for the drug.

Taxpayers own the property from which the natural substance, the bark, is coming from. Guess what, the Federal Government gave an exclusive right to Bristol-Myers Squibb to market this drug with no price caps. Guess what? With no sunk costs, they did not go through a lengthy development process, and very low cost to get the product. They were charging outrageous prices because women desperate with this type of cancer needed the drug.

Now, the gentleman has proposed a simple principle. They should repay the Treasury for that research. They should repay the taxpayers. Now, has that become law? It seems to me most Americans would agree that would be fair.

Mr. SANDERS. Mr. Speaker, I would say that the pharmaceutical industry, which spends over \$80 million in the last election cycle in opposition to any serious reform was successful in helping to defeat that proposal. But we will be back, and we are going to be back with another good proposal.

That is that one of the outrages that currently exists, as I mentioned earlier, is that the same exact prescription drug manufactured by an American company is sold in Canada, Mexico, and around the world for far lower prices than it is sold in the United States.

I know the gentleman intends to release a study in Oregon, but we have already released one in the State of Vermont. What we found is that, for the most commonly used prescription drugs that senior citizens need in Vermont, those drugs cost 81 percent more than in Canada and 112 percent more than in Mexico.

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And in response to that absurdity, I have introduced legislation which would allow American pharmaceutical distributors to be able to purchase their products from Canada, from Mexico, and from any other country to take advantage of the lower prices so they could resell those products back in the United States at far lower prices than is currently the case.

I know the gentleman knows that the problem here is not with the independent pharmacist. That person has no choice but to sell the product for a high price because he is purchasing it for a high price. Well, now we are going to let competition reign. Now we will let the distributors buy at a lower price in Canada, Mexico or anyplace else. This is exactly the same product that is sold in the United States for a far higher price.

And I should mention that, as a matter of fact, on July 7 I intend to take a van of senior citizens and people with chronic health problems to Canada. It is only an hour and a half away from us. We are going to go to Montreal and

we are going to purchase prescription drugs and we are going to show the degree to which prices in Canada are so much lower than they are in the United States.

In my State already many people are going over the border to Canada to take advantage of the lower prices. I know in the southern part of this country people are going to Mexico. That is an absurdity. Americans should not have to skip over the border, north or south, in order to get a discount on drugs manufactured by American pharmaceutical companies. That is an outrage. And we are going to do everything we can to see that the American consumer is treated the same way that the Canadians, the Mexicans, and the Europeans are treated.

Mr. DEFAZIO. Is the gentleman telling me these are exactly the same drugs? These must be generics or something like that.

Mr. SANDERS. No, these are the same drugs manufactured in the same factory, often in the same bottle, often in Puerto Rico. The same exact products.

I want the pharmaceutical industry to tell the American people why if they go to Europe, if they go to Mexico, if they go to Canada they can purchase the product that they sometimes need to stay alive. The gentleman and I both know of the horror stories of people struggling to combat their illnesses, a question of life and death, and not being able to afford these outrageously high prices.

And as the gentleman indicated a moment ago, to add insult to injury, the taxpayers of this country pour huge sums of money into research and development. And then, when they develop the product, instead of saying to the pharmaceutical company that is going to distribute it, that is going to sell it, that they have to sell that product, because it was developed with taxpayer money, they have to sell that product at a reasonable price, instead of that the NIH gives the product over to the pharmaceutical industry who then sells it at any price that they want, meaning that the taxpayer who helped to develop the drug often cannot even afford to purchase the drug that he or she developed, which is an issue that must be addressed.

Mr. DEFAZIO. I have also recently found out, which causes me great concern in my district, that there is a problem with retired military getting their prescriptions filled. We have no active military base in Oregon, and they are not eligible for a mail order program which is maintained by the military, so what they have been doing is pooling together with volunteers to go up to Washington State with all their prescriptions, and then have a person go and fill a couple hundred prescriptions and load them in a van and drive them back down to Oregon.

Now, this is another example of Americans who have been made a promise, in this case veterans, that we would take care of them; that we would take care of them for life, and now they are not getting their prescriptions filled. In fact, the military has proposed that they do not want to have this volunteer van service anymore. And I said, well, then, how about making these people eligible for mail order prescriptions? I have a Blue Cross/Blue Shield card, so I can get some product out of a pharmacy in Florida for an absurd price if I want to wait a week or 10 days. So I said, how about the military setting up something like that. Well, that is difficult. We are still fighting over that.

But that is just another category of people that are getting hit. They cannot afford to go to the pharmacy and buy these things. They have to get them through the military, and now they are being told they cannot do that.

Mr. SANDERS. Mr. Speaker, the gentleman touches on an issue I know both of us have worked on, and that is veterans' rights, and this gets again back to the issue of the so-called booming economy and the priorities being established in the Congress.

Now, it seems to me that in terms of veterans, these are men and women who have put their lives on the line. They did what their government asked them to do. They signed a contract, sometimes in blood, with the United States Government. And I regard it as completely unacceptable that the government reneges on the contract that it signed with those people.

And when we talk about priorities and we talk about the so-called booming economy, I find it hard to understand how any Member of this Congress could support on one hand huge tax breaks for the wealthiest people in this country, who in recent years have seen extraordinary increases in their wealth, and then with the other hand say to the veterans of this country, well, gee, I guess we are having problems with prescription drugs, we just do not have the money to help. We may have to downsize the VA hospitals. We may have to cut back on the quality of care that we give.

Now, what a sense of priorities it is to say to millionaires and billionaires, oh, we hear your pain, we are going to give you huge tax breaks; but to the veterans of this country, to the senior citizens of this country, to the working people of this country, gee, we are sorry, we just do not have the funds to help in your hour of need.

Now, we have talked about health care, we have talked about prescription drugs, we have talked about the Federal Reserve, and we could go on and on, but the bottom line is that what goes on in this country increasingly is that the people on the top are doing extraordinarily well, the people in the

middle are working longer hours for lower wages, and the people down below are hurting very severely.

I find it basically wrong, and there is no other word that I can use, that in the United States of America today we have the most unfair distribution of wealth and the most unfair distribution of income in any industrialized society. We have a situation in which the wealthiest 1 percent of the population now own 40 percent of the total wealth of this Nation, which is more than the bottom 95 percent. We have just 1 percent or more wealth from the bottom 95 percent.

As the gentleman knows, in recent years, we have given huge tax breaks to upper income people at the same time as we have cut back on the needs of our veterans and we have cut back on the needs of many, many other people. So when I go back to Vermont, people say to me, middle class people say, gee, we cannot afford to send our kids to college; how can you be in a Congress which can provide huge tax breaks for those people who really do not need it?

So I think we have to get our priorities right. And what our priorities should mean is that we should join, in my view, the rest of the major countries in this world and say that health care is a right of citizenship, not a radical idea; that every man, woman, and child should be entitled to health care because they are citizens of this country; that we should be putting more money into higher education so that middle class families do not have to go deeply into debt to send their kids to college; so that the young people do not have to get out of college \$20,000, \$30,000, or \$40,000 in debt.

So I would suggest that maybe the Congress would want to start focusing on the needs of ordinary people rather than just those people who make the campaign contributions.

Mr. DEFAZIO. Well, I am surprised we got back to campaign contributions, but I think the gentleman is making an excellent point. Again, the question is on behalf of whom does this body make policy day in and day out and to whom is the majority behold-

ing? They are talking about a vision. They have a vision for a future, a tax system, which the gentleman was just talking about, and it is an interesting vision. And the vision is that we should do away with death taxes. Of course, in the last Congress we acted so that anyone with assets of less than \$1 million in the very near future will be subject to no death taxes. But they are worried about those people with assets of over \$1 million; that they might have to pay taxes upon transferring them to their heirs. So their vision is we would do away with all inheritance tax and then would reduce the capital gains tax to zero.

Now, here is the ultimate absurdity, and this is not about wealth envy or something else, it is about everybody carrying their fair share of the burden in our society, and somewhat that depends upon the ability to pay. We can only squeeze so much out of a minimum wage worker. But if someone has a lot of discretionary income, they can afford to pay a little bit more. But in their vision that they have put forward to us, there will be zero inheritance tax and zero capital gains tax.

Now, let us just say if someone was lucky enough to be, well, let's say Bill Gates' child, that person, and he says, by the way, that he is going to give most of the money away to charitable undertakings. And that is wonderful, and I think the American people will appreciate that gift. But let us just say he reserves a billion dollars for his child, and the child gets a billion dollars when they graduate from college. Well, under this vision of the future, that child would pay zero dollars on taxes for the inheritance. And if that child chose to invest the money for a living as opposed to working for wages, they would pay zero dollars in Federal taxes, zero dollars in FICA taxes.

So it sort of begs the question, as the elite make more and more of their money off unearned income, why is it that wage-earning people have to pay 28 or 31 percent, or even the people at the top, 39.6 percent of their income in taxes, but these other people who do not have to work for wages, who are lucky enough or skillful enough to just live on unearned income, pay at the rate today of 18 percent with a vision of going to zero?

Mr. SANDERS. Let me see if I understand what the gentleman is saying. It is a very radical concept. Is the gentleman suggesting that somebody who works by the sweat of their brow for 50, 60, 70 hours a week trying to make \$25,000, \$35,000, or \$40,000 a year to maintain their family at a level of dignity and decency, that those people should be paying less in taxes than people who make millions of dollars investing in the stock market?

Mr. DEFAZIO. Well, I was not even taking it that far, but that is an interesting point.

Mr. SANDERS. It is radical, I know. Mr. DEFAZIO. That is pretty radical. The gentleman sometimes is known to be out there a little bit.

But I will take it back to a simpler prospect. A person who works 50 hours a week, say a retail clerk, and brings home \$40,000, \$50,000 a year in a good union job. That is possible. Let us not even go to the issue of someone with a very large income and someone with a modest income. Let us say two people earned \$40,000 a year. One earns \$40,000 a year by investing money they inherited, the other earns \$40,000 a year by working 40 hours a week in a wage-earning job. The person who earns

\$40,000 a year is paying taxes at about the rate of 28 percent and the person who invests for a living is paying 18 percent.

Now, I have a hard time understanding why that is fair; why the person who does not work for wages pays a lower rate. And, of course, if the person who works for wages is self-employed, not only do they get socked with a 28 percent rate, they also get socked with paying the FICA tax on both sides, so their tax rate suddenly jumps up around 40 to 50 percent. But their vision for the future is that 1 percent or so who can just live off investments should pay no taxes to the Federal Government.

Now, my question would be how then are we going to maintain the government and who is going to pay?

Mr. SANDERS. Well, I think while it is certainly not fair, it is understandable. Because once again we have got to deal with the reality that the wealthiest one-quarter of 1 percent of the population make 80 percent of the campaign contributions. Unless I would be very mistaken, and I do not think I am, when these guys kick in \$50,000 or \$100,000 or \$1 million, and their corporate friends kick in huge sums of money to both political parties, maybe that is the reason that they are making those contributions.

After all, imagine just trying to live on a couple hundred million dollars a year when one can get a tax break and earn even more money. My guess is that when they go to these \$50,000 a plate dinners, they are not sitting there saying, raise the minimum wage, that is why we contributed \$50,000; expand the Pell Grants; provide health care to all people; cut the cost of pharmaceuticals so that ordinary folks can afford it.

□ 1830

My guess would be that people who contribute huge sums of money to the political parties are not quite so interested in the needs of the middle class and working families of this country but rather their own interests. And one of their own interests is to pay less and less and less in taxes, and that certainly has happened in recent years.

Mr. DEFAZIO. Well, certainly, then, we can expect that we will take up campaign finance reform soon here on the floor of the House.

Mr. SANDERS. Well, we certainly would like to do so. But once again, money is talking.

The American people in poll after poll say they want changes in the obscenity of the current campaign finance system. But the monied folks, hey, they like the system the way it is.

See, in a democracy we have one person, one vote. If we have money, if we do not have money, we get one vote. But in the current system, we have one person, one vote. But then the other

person has one vote plus the ability to contribute endless sums of money and have access and impact on the legislative process. So for those folks who have the money, they do not want to see campaign finance reform.

It is a real outrage that the House leadership has refused to bring back onto the floor a reasonably conservative bill that would ban soft money that passed overwhelmingly here last year. They do not want to bring it back. And they are going to wait and wait so that it will become impossible for the Senate to act and will continue this charade by which big money pours into both parties and to the presidential candidates and which Government continues to work on the needs of upper-income people rather than the middle class.

Mr. DEFAZIO. Mr. Speaker, the gentleman is making an excellent point there, and it is very disturbing to me and many other Members of this chamber.

I believe the gentleman has probably signed what is called the discharge petition. That is, a majority of Members of this House if made to vote would vote for campaign finance reform, but the leaders of the Republican party are attempting to protect their Members from making that vote.

In the last Congress, Speaker Gingrich managed to delay and delay and the gentleman from Texas (Mr. DELAY) managed to offer many, many, many mischievous amendments. But ultimately, finally, the House passed its judgment. As the gentleman says, overwhelmingly, faced with the obscenity of today's campaign finance system, an overwhelmingly majority of this House said we have to take these minimal steps towards reform. Our constituents demand it.

But now here we are a little more than a year later, same place, a majority support reform, but we cannot get a bill to the floor of the House. The Speaker says, well, I will only bring it up later in the year, late enough so that we know it will not go anywhere in the Senate and then we will be launched into the presidential campaign year. And we all know that we are not going to reform campaign in the middle of the most expensive presidential campaign in the history of the United States.

Mr. SANDERS. What is really very clear, I do not think there is any debate on this, is the Speaker and the House leadership understands that if that bill came before the House, as the gentleman has just indicated, the vast majority of the people would vote for it because they would be embarrassed to go back home and say, "we voted against campaign finance reform." But if it does not come before the floor of the House, they do not have to make that vote.

Now, we are running out of time. The gentleman from Oregon (Mr. DEFAZIO)

has recently made I think a very important contribution in terms of this whole discussion over Social Security. As the gentleman knows, we hear very often about how Social Security is going bankrupt, there is no money in it, and blah, blah, blah, which happens to be untrue.

Right now, if the United States Congress does nothing, which I think is not a good idea, I think we should act, Social Security will be able to pay out every benefit owed to every eligible American for the next 34 years. So that is not a system on the verge of bankruptcy. But as we become an older society and as people live longer, there are problems that we must address.

I know the gentleman has just recently introduced very, I think, interesting Social Security legislation.

Mr. DEFAZIO. Yes. Just one point beyond that for people who are being stampeded into the idea that we have to destroy the system to save it.

Even if Congress did nothing, as the gentleman says, for 35 years Social Security could deliver on 100 percent of promised benefits and after that 73 to 75 percent of promised benefits into the indefinite future. That means it has a 25-percent that starts 35 years from now.

Does that sound like a system we need to destroy, the most successful social system this country has ever seen that has been responsible for lifting tens of millions of seniors out of poverty?

Mr. SANDERS. Mr. Speaker, I find it very ironic and interesting that time and time again, and I guess we are not going to have time today to talk about corporate control over the media, a very dear subject to me, but I find it amazing that we hear Social Security crisis, bankrupt, no money available, and the young people by and large believe us by now because they have heard it so much, when there is no debate.

If the Congress does nothing, Social Security will pay out every nickel owed to every eligible American for the next 34 years.

We have crises today. We have people sleeping out on the street. Elderly people cannot afford their prescription drugs. Veterans are not getting the health care they need. But those, apparently, are not crises. But this non-crisis is now being subjected to a situation where people want draconian response which would destroy the system.

But maybe the gentleman wants to say a few words.

Mr. DEFAZIO. Mr. Speaker, I would pause at something, but I do want to explain my plan, that that has something to do with the fact that if it were broken up into 70 to 80 million pieces that there would be an awful lot of commissions out there for brokers. And all the intense pressure here in Con-

gress to break Social Security up and make it into individual accounts is coming from Wall Street, the same people of course who are contributing tremendous amounts of monies to people's campaigns.

But let me explain a simple fix for Social Security. About half the American people pay more in Social Security taxes to the Federal Government than they do income taxes. We should deal with that issue. We should give them some tax relief.

Now, we also want to make certain that the system is solvent for the future. So I put those two ideas together. If we did one thing, if we lifted the cap, right now if they earn \$72,600 they pay Social Security on every penny they earn. If they earn \$15,000, \$20,000, \$40,000, up to \$72,600, Social Security on every penny they earn. If they earn a million dollars, they only pay Social Security on the first \$72,600. That means their effective rate of tax is less than one percent; and it is over 6 percent for Social Security alone, not the Medicare portion, for individuals who earn \$20,000 a year.

So lift that cap. If we lift the cap and say fair is fair, everybody will pay the same amount on all they earn, that sounds like the flat tax that my colleagues over here are always pushing, then that would raise more than enough money to fix the system and make it solvent forever.

But I want to take some of that money and invest it in tax relief. We could also exempt the first \$4,000 of earnings for every wage-earning American. That means everybody who earns less than \$72,600 a year, that is 95 percent of wage-earning Americans, would get a tax break under this proposal. And then with a few other changes in Social Security, investing some aggregate amount of the surplus, taking away from Congress which borrows it and spends it and replaces it with IOUs into index funds and other investments, we could ensure, and I have a letter from Social Security saying my plan would do this, the solvency of Social Security for 75 years, which is as far out as they project it, while providing tax relief for 95 percent of Americans.

I also deal with two other problems. I give five child care dropout years so that the families that cannot afford child care or choose to stay home with their kids in their formative years will not be penalized in their ultimate Social Security benefits; and then finally, a slight increase in benefits for people over the age of 85 who are at a very high rate of poverty.

We could do all that by lifting the cap on the wages. That is, everybody pays the same amount. But, unfortunately, I believe that a lot of people who are talking about financing campaigns are probably in that same category.

Mr. SANDERS. Very interesting. They do polls and they ask the American people, how do you think we should deal with the Social Security situation?

The one alternative is to raise the age at which they get benefits. The other solution is to cut back on benefits. And the American people respond. Then they said, what about raising the cap, exactly what are my colleague is talking about. Poll after poll shows the American people think that is a very good idea. They think it is appropriate.

As the gentleman just indicated, if they raise the cap, not only can they can create Social Security solvency for the 75 years that the actuaries actually want, they could actually have a tax deduction for low and medium income workers, which makes a lot of sense to me.

But amazingly, despite the fact that this is an idea that the American people want, how many people in the Congress are even prepared to talk about that idea? Not a whole lot.

Mr. DEFAZIO. Well, I am circulating a letter to all our colleagues this week asking them to sign on to the bill, which I will introduce when we return from the July 4 break.

I think that certainly there will be many who will be interested in a progressive Social Security reform, a way to cut taxes for 95 percent of wage-earning Americans and assure the future of Social Security for generations to come. It sounds like a pretty good deal to me. And we will see if, for once, we can overcome the influence of those few wealthy people who spend so much financing the campaigns, particularly on the majority side of the aisle here.

Mr. SANDERS. I think we are coming toward the end of our time. I want to thank the gentleman from Oregon (Mr. DEFAZIO) for all of the work that he does in the Congress and for his participation this evening.

I would like to conclude on this note. We have touched on a number of problems, but that does not make us pessimistic. It is my belief, and I know I speak for my colleague as well, that if working people and middle-income people and young people get involved in the political process, if they let the Congress and the President hear from them, if they make the political leaders of this country understand what their needs are and they will get involved, we can turn this country around.

We should not be proud that the wealthiest people have seen huge increases in their income and their wealth at the same time as we have the highest rate of childhood poverty of any industrialized nation. We should not be proud that 43 million Americans have no health insurance and that we are the only country in the industrialized world without a national health insurance system. We should not be

proud that the CEOs make over 300 times what their workers make and that in the midst of the so-called economic boom, the average American worker today is earning less than was the case 25 years ago.

But ultimately to turn that around, to make the Government of the United States work for the middle class, work for working families, rather than for upper-income people, people are going to have to get involved in the process. They are going to have to vote. They are going to have to be informed about the issues. They are going to have to run for office. They are going to have to revitalize American democracy and pay tribute to the founders of this country who gave us the radical concept of democracy.

So I would hope that all of our people, especially the young people who are turning their backs to our Democratic system, get involved and stand up and fight for the rights of ordinary people.

Mr. Speaker, I thank the gentleman for joining me this evening.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Sherman Williams, one of his secretaries.

#### COLORADO CATTLE CONCERNS

The SPEAKER pro tempore (Mr. TERRY). Under the Speaker's announced policy of January 6, 1999, the gentleman from Colorado (Mr. SCHAFER) is recognized for 60 minutes.

Mr. SCHAFER. Mr. Speaker, I would like to invite those Members of the Republican Conference who may be monitoring tonight's proceedings and have something that they would like to add in the next hour during this special order to come on down to the floor and join in. I secure this hour every now and then on behalf of the Republican Conference just for that purpose.

One of the topics I wanted to discuss was with respect to some good news in agriculture over the last couple of weeks. Because while the bull is still loose on Wall Street, months after the analysts and pundits first began warning in earnest of overpriced stocks and certainly financial meltdowns, another young crop of fresh-from-college-20-somethings with a computer and a catchy slogan has launched their initial public offerings and made millions.

Granted, short of cashing in their stock options, their net worth is only on paper and few Internet start-ups have yet to post real profits. But the investor cash fueling the IPO madness is real, and leading economic indicators suggest no predicted slowdown in the economy.

□ 1845

Consumer spending is up while unemployment rates are down. Business sec-

tor productivity, personal income and new home starts, all important indicators, are all on the rise.

Yet while that bull stampedes through the streets of New York, many of the cattle along the dusty cattle roads of eastern Colorado are going nowhere. That just might change soon. Until this month, the Clinton administration has done little to help America's cattle industry and cattle ranchers in their decades-long trade dispute with the European Union over U.S. growth hormones which meant that Colorado's cattle intended for slaughter and export to European consumers were banned and banned on the basis of dubious science.

Under prior World Trade Organization rulings, the European Union was required to drop its ban on U.S. beef imports absent risk assessments and scientific justification by May 13, 1999. The European Union refused to do so and in response the United States was notified of the World Trade Organization's intent to impose a 100 percent retaliatory tariff on approximately \$202 million of European Union products. This level of retaliation is estimated to be far short of the true value of U.S. beef that would be exported to the European Union absent the ban, but it is enough to get the attention of those nations which might utilize unfair trade tactics in the future.

Colorado agriculture increasingly depends upon the export market to expand sales and increase revenues and to expand world trade and agriculture has a significant impact on both the U.S. trade balance and on specific commodities and individual farmers. The cards are stacked against farmers and ranchers to begin with. No sector of the economy is subject to more international trade barriers than agriculture. The import quotas, high tariffs, government-buying monopolies and import bans imposed by other nations coupled with the overwhelming number of trade sanctions and embargoes imposed on other countries by our own government cost the American agriculture industry billions of dollars each year in lost export opportunities. These barriers continue to grow despite the General Agreement on Tariffs and Trade, GATT, and the North American Free Trade Agreement, or NAFTA. Without question, they are devastating the ability for American producers to compete effectively, particularly at a time when exports now account for over 30 percent of U.S. farm cash receipts and nearly 40 percent of all agricultural production.

This particular dispute over the presence of growth-promoting hormones dates back to 1989 when the European Union put into effect a ban on the production and importation of meat containing such compounds. Growth-promoting hormones are widely used in the United States as well as other top